

SENATE BUDGET COMMITTEE

DEMOCRATIC CAUCUS

KENT CONRAD, RANKING MEMBER

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SENATE BUDGET COMMITTEE RANKING MEMBER KENT CONRAD (D-ND) DELIVERS DEMOCRATIC WEEKLY RADIO ADDRESS

Saturday, February 1, 2003

Hello. I'm Senator Kent Conrad of North Dakota, senior Democrat on the Senate Budget Committee. This is a fateful time for our nation. Critical decisions must be made that will affect our future for years to come.

In his State of the Union speech, President Bush said we face many challenges. He said we will not deny these challenges, will not ignore them, and will not pass them along to other Congresses, to other presidents, and to other generations. But that is not what this President is doing. In fact, he is doing just the opposite

With the budget he will send to Congress on Monday, the President is pursuing a policy that will dramatically increase our deficits, expand our debts, and accelerate our economic decline.

Just two years ago, the President told us we could afford a massive tax cut, a major defense build-up, and pay down our debt...yet still protect Social Security and Medicare, have money to increase funding for education and health care, and have enough left over for the unexpected. My grandmother told me, if something sounds too good to be true, it probably is.

We now know that the President made a serious misjudgment. Two years ago, he told us we would have a surplus of \$5.6 trillion. Now, we face \$1.6 trillion in deficits and a runaway debt. A once-vibrant economy has slowed to a crawl. Part of the reason for this change in our fortunes is the economic slowdown, and the terrorist attacks of September 11th. But the biggest reason is the President's huge package of tax cuts – tax cuts we simply can not afford.

And now, as we face even greater needs for homeland security, for defense against renewed threats from Saddam Hussein and North Korea, the President has proposed another huge package of tax cuts that simply does not add up.

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He says it's an economic growth package. But it won't provide growth. To boost the economy, tax cuts have to take effect immediately. They have to go to people who will spend the money, and get the economy moving.

Instead, most of the President's plan stretches over years, and most of the benefit goes to the wealthiest among us. People making more than a million dollars a year will get a tax cut of about \$88,000. People right in the middle of the income scale will only get about \$265. That's not fair and it won't lift the economy.

And for the long term, the President's plan will increase our deficits to record levels. Our national debt, once headed for a zero balance, will rise to about five trillion dollars in five years. The dead weight of that debt will drag down our economy for years to come.

Why does that matter to you? Well, debts push up interest rates. That means it's harder to buy a house or a new car, or invest in your business. And a sluggish economy means fewer good jobs for you and your family.

And because these debts are financed with the Social Security trust fund, it means we're pushing those debts on to the backs of our children. It's not a tax cut, it's a tax increase on future generations. Meanwhile, the biggest group of retirees in our nation's history is about to enter the system – the baby boomers – and they expect Social Security to be there for them.

And finally, just as we face the prospect of war with Iraq, the President is asking us again for massive tax cuts we can not afford. If we send our troops into battle, they deserve every resource we can give them...and we'll need to defend ourselves against a renewed threat here at home as well.

Democrats believe there is a better way. We have offered a plan that will grow the economy without adding to our long-term debt.

In the short term, our plan would increase the Gross Domestic Product by a hundred billion dollars more than the President's plan by next year, giving immediate lift to the economy.

And in the long term, our plan provides the resources we need to strengthen Social Security and Medicare. The Democrats' plan will provide the resources we need to defend this nation, support our soldiers in battle, and invest in education and health care. And we will *not* leave a crushing load of debt to our children.

Those are the issues at stake, and that's where Democrats stand. We pledge we will work with the President and our colleagues on Capitol Hill for an economic plan that makes sense for America. I'm Senator Kent Conrad of North Dakota. Thanks for listening.